



ARLINGTON FINANCE COMMITTEE  
MINUTES OF MEETING

5/5/21 7:00 PM

Conducted by Remote Participation - Zoom Meeting

ATTENDEES:

Gibian		Padaria	I	Pokress	p	Kellar		McKenna	p
Blundell	P	Wallach	P	Harmer	p	Tosti	p		
Ellis		Foskett	P	Deyst	I	Kocur	p		
Healy	P	Beck	p	Jones	p	Deshler	p		
Franclemont	P	Howard	p	LaCourt	p	Carman	I	Diggins	p

p Indicates present, I indicates late

VISITORS: Town Manager Adam Chapdelaine, Deputy Town Manager Sandy Pooler, Municipal Facility Consultant Jeff Alberti, Vice Chair CPC Chris Moore, Chair PTBC Allen Reedy

1. INTRODUCTION: Foskett read the rules for the meeting as formulated by Town Counsel based on the Governor's authorization. An important rule is that all votes be by role call. Attendance was taken by roll call.

Note: A vote of "unanimous" means "unanimous vote by all present". The Chair votes only when there is a tie.

2. Article 54, Collective Bargaining.\* Foskett invited Town Manager Chapdelaine to start with either the Capital Budget or Article 54, and he preferred to start with Article 54, asking S. Pooler to explain the status. Pooler had prepared a memorandum dated April 30 (Ref 1) with respect to the Town negotiations with three unions, the impact on the salary reserve in Article 54 and the impact on various Town budgets. Pooler noted that ASFCME 680 leadership had agreement with the Town, but the members had not yet voted to ratify. Pooler said he expected ratification before this came to Town Meeting. Alan Jones asked several question with respect to how the Article amendment would be written. The motion was made and seconded to accept as proposed by Pooler. Voted unanimously.

\* This paragraph provided by Charlie Foskett

2. MUNICIPAL FACILITY: Alberti reviewed cost increases recommended for the renovation and new buildings planned at DPW (Ref 2). He presented data showing how building materials costs have increased. He also described his

efforts to modify the project design to reduce cost. He stated that the changes will not affect the longevity of the resulting facility. The net cost increase is \$5,400,000.

Moore showed how the cost increase will fit into the Capital Plan starting in FY23 (Ref 3). He pointed out that delaying the project would likely increase labor costs.

Chadelaine said that American Recovery Act Funds (Federal funds) may be allowed to be used to reduce W&S costs in the project. In response to questions, he said the delay in bringing this cost increase to FinCom was caused by the multiple reviews needed. He also said there is no plan to reinstate the deleted items.

VOTED to support the CPC plan 13-4. (Ref 4)

The meeting adjourned at 8:00 PM

Peter Howard  
5/6/21  
Revised 5/16/21

Ref 1 Memo, Pooler to FinCom, Collective Bargaining, 4/30/21

Ref 2 Municipal Facility Update

Ref 3 Municipal Facility Capital Plan Changes

Ref 4 Roll Call Vote



**Town of Arlington  
Office of the Town Manager**

**Sanford M. Pooler**  
Deputy Town Manager

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Website: [www.arlingtonma.gov](http://www.arlingtonma.gov)

TO: Finance Committee

FROM: Sandy Pooler, Deputy Town Manager *SP*

DATE: April 30, 2021

RE: Collective Bargaining

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The collective bargaining agreements between the Town of Arlington and the six labor unions that represent most Town employees expire on June 30, 2021. In anticipation of those expirations, the Town has engaged in negotiations relative to successor collective bargaining agreements with employee unions. We are in uncertain financial times, and accordingly, we have tried to negotiate simple one year contracts with each union. Three Town unions have accepted this proposal; the Robbins Library Professional Association, AFSCME Local 680, and SEIU Local 888. The three public safety unions have opted to delay their negotiations until later in the year, hoping to sign three year contracts. The Town's position has been that we are not willing to put forward terms for years two and three of the contract at this time, given the economic uncertainty we face.

These negotiations have been guided by a strategy that is based upon offering a cost of living (COLA) increase consistent with historic Consumer Price Index (CPI) trends. The Town has proposed a 1.5% COLA. We gave given unions the option of rearranging their total compensation to be a combination of COLA and other elements, if the total cost of the contract is equal to our 1.5% cost. We also included language recognizing the Juneteenth as a full holiday when it falls on a Monday through Friday and as a floating holiday when it falls on a weekend and allows that Town to provide education to employees on the meaning of Juneteenth.

The Finance Committee previously approved the settlement for the Robbins Professional Librarians Association. Below are summaries of the terms and financial impact table for the other agreements. Funding is provided by transferring money from the Salary Reserve to the departments, as detailed in Appendix A, except for the Water/Sewer Fund that contains its own salary reserve and does not need a transfer.

### **AFSCME Local 680:**

**Summary:** The Town of Arlington and the AFSCME Local 680 recently came to agreement. The agreement provides a 1.5% COLA and language recognizing the Juneteenth holiday.

**Term of Agreement:** The successor agreement is for a one year period. The term of the agreement will be July 1, 2021 through June 30, 2022.

**Wages:** July 1, 2021 1.5% Increase

Transfer from Wage Reserve: \$92,480

### **SEIU Local 888**

**Summary:** The Town of Arlington and the SEIU Local 880 recently came to agreement. The agreement provides a 1.0% COLA, a 1.5% increase to the top step, and language recognizing the Juneteenth holiday.

**Term of Agreement:** The successor agreement is for a one year period. The term of the agreement will be July 1, 2021 through June 30, 2022.

**Wages:** July 1, 2021 1.0% increase and an additional increase to the top step of the pay scale.

Transfer from Wage Reserve: \$28,717

### **M Schedule, Full-Time elected official, and non-union employees:**

**Summary:** The Town of Arlington's M Schedule employees, full-time elected officials and non-union employees will receive cost of living increases that are consistent with the wage increases in the collective bargaining agreements for FY22.

**Wages:** July 1, 2021 1.5% Increase

Transfer from Wage Reserve: \$93,586

### **Salary and Wage Reserve**

With these settlements, a reserve of \$456,721 in the General Fund remains from the original amount proposed in the FY2022 budget. It will be available to settle the remaining contracts once we have agreements.

Appendix A

Union	680	Non-U	680	Non-U	Non-U	680	Non-U	SEIU	
Department	ATP	ELECT	MC	MGMT	MTP	OFFA	OFNU	SEIU	Grand Total
Select Board				\$1,604	\$1,966		\$689		\$4,259
Town Manager				\$4,251	\$5,291				\$9,542
Finance Committee							\$77		\$77
Comptroller				\$2,015		\$1,711		\$2,140	\$5,866
Assessors	\$1,086			\$1,764		\$1,510			\$4,360
Treasurer/Collector	\$1,135			\$1,852		\$5,335		\$921	\$9,243
Postage						\$498			\$498
Legal				\$3,915	\$2,159		\$618		\$6,692
Human Resources				\$1,906	\$2,231		\$648		\$4,785
Information Technology				\$2,305	\$4,558	\$938		\$2,902	\$10,703
Town Clerk		\$1,463				\$1,143		\$1,529	\$4,135
Registrars						\$790			\$790
Planning				\$1,909	\$7,725	\$795			\$10,429
Zoning Board of Appeals							\$476	\$571	\$1,047
Facilities			\$3,411	\$0	\$1,119				\$4,530
Parking	\$1,086								\$1,086
Police	\$681		\$9,761	\$2,189	\$801	\$2,581		\$1,420	\$17,433
Fire	\$1,035		\$927	\$2,058				\$2,068	\$6,088
Inspections				\$2,081		\$790		\$3,058	\$5,929
DPW Natural resources	\$1,135		\$12,221					\$2,782	\$16,138
DPW Engineering	\$2,101				\$1,731			\$921	\$4,753
DPW Administration				\$2,266	\$2,731	\$1,497			\$6,494
DPW Highway			\$17,661					\$3,375	\$21,036
DPW Motor Equipment Repair			\$4,663					\$1,998	\$6,661
DPW Cemetery			\$1,691			\$757		\$1,998	\$4,446
Health	\$1,911			\$1,906	\$6,211	\$886			\$10,914
Diversity, Equity & Inclusion					\$1,164		\$360		\$1,524
Council on Aging					\$3,176	\$790	\$455	\$810	\$5,231
Veterans								\$750	\$750
Library	\$948			\$1,903		\$7,657	\$3,024		\$13,532
AYCC	\$983				\$6,237				\$7,220
COA Transportation			\$0				\$580		\$580
Rink	\$629			\$381		\$553		\$784	\$2,347
Recreation	\$157			\$1,525	\$2,248	\$1,027		\$689	\$5,646
<b>Total</b>	<b>\$12,887</b>	<b>\$1,463</b>	<b>\$50,335</b>	<b>\$35,830</b>	<b>\$49,348</b>	<b>\$29,258</b>	<b>\$6,927</b>	<b>\$28,716</b>	<b>\$214,764</b>

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# Town of Arlington New / Upgraded Municipal Facility

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Finance Committee Update Presentation

May 05, 2021

Town of Arlington  
**New / Upgraded Municipal Facility**

**Agenda**

1. Review budget from October 2020
2. Review current pricing (based on March 2021)
3. Review current market conditions and what has changed in the last five (5) months
4. Review cost control measures and potential additional funding request

Town of Arlington  
**New / Upgraded Municipal Facility**

**Project Cost Summary**

	<b>Design Development October 2020</b>	<b>Construction Manager Price March 2021</b>
• Construction:	\$32,461,855	\$38,282,137
• Design, Pricing, & GMP Contingency:	<u>\$1,500,000</u>	<u>\$750,000</u>
Subtotal DPW Construction Cost:	\$33,961,855	\$39,032,137
• Soft Costs	\$3,197,483	\$3,178,144
• Owner Contingency:	\$250,000	\$205,300
• Construction Contingencies	<u>\$1,520,662</u>	<u>\$1,503,245</u>
<b>Total Project Cost:</b>	<b>\$38,930,000</b>	<b>\$43,918,826</b>

*Note – Cost summary excludes design fees  
from previous appropriations*

**Over budget by \$4,988,826**

**+**

**Construction Contingency is too low based  
on project complexity and market volatility**

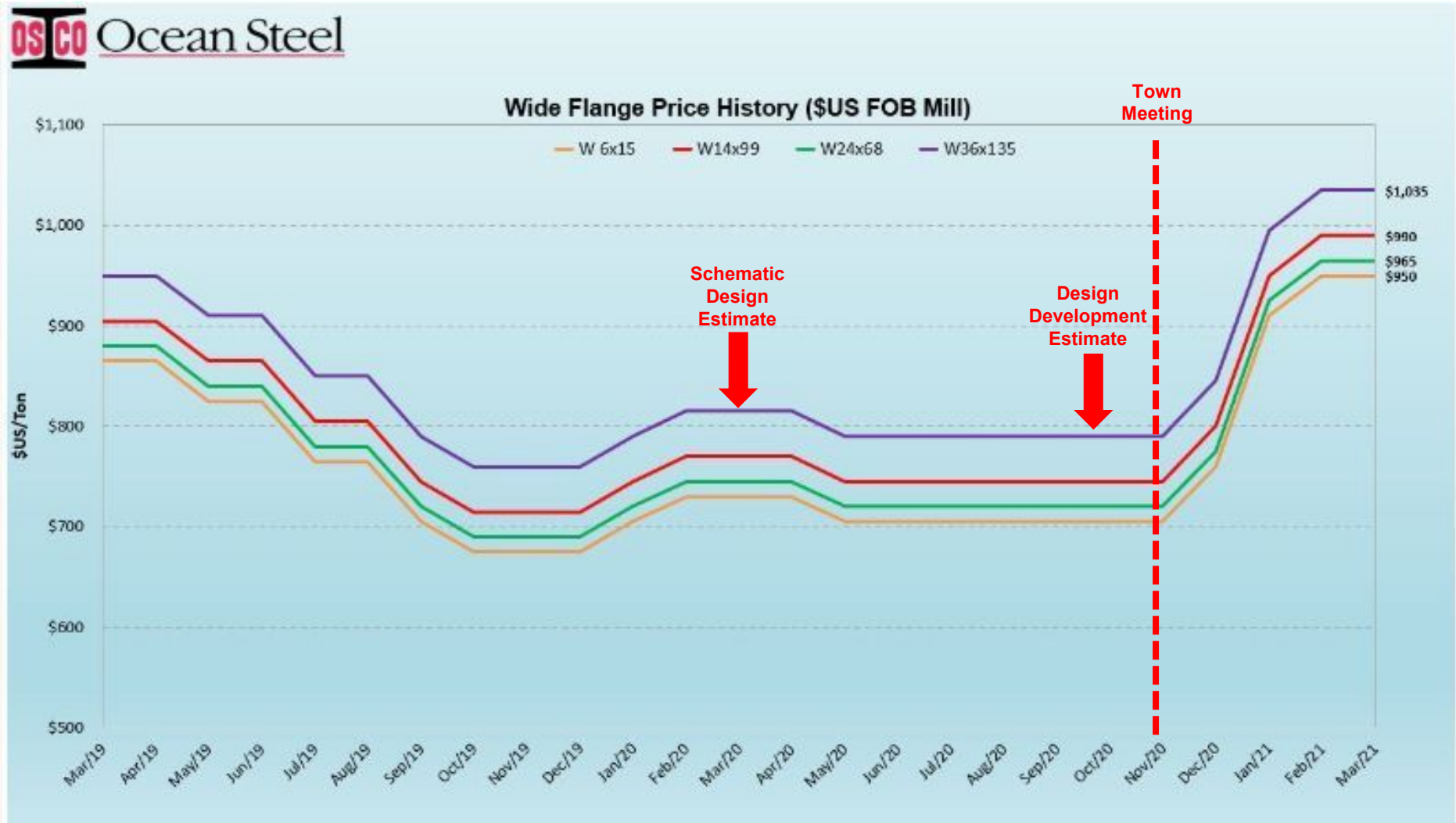
Town of Arlington  
**New / Upgraded Municipal Facility**

Summary of Cost Overruns

<b><u>Overrun Categories - Estimated Costs</u></b>	<b><u>Approx. Cost Increases</u></b>
I. Material Cost Increases (estimated @ +/- 15%)	\$2,500,000
• Drawing & Program Evolution	\$1,000,000
• Regulatory Added Scope	\$130,000
• Estimating Variance	\$600,000
• Indirect Costs (fees & insurance)	\$400,000
• Low Bid Withdrawal (trade contractors)	\$370,000

# Town of Arlington New / Upgraded Municipal Facility

## Market Analysis – Material Cost Increases



Source: Ocean Steel & Construction Ltd

Date: March 25, 2021

Town of Arlington  
**New / Upgraded Municipal Facility**

Market Analysis – Material Cost Increases

Wall Street Journal reports:

- Lumber, one of the biggest costs in home-building after land and labor, has never been more expensive and is more than twice the typical price for this time of year.
- Crude oil, a starting point for paint, drain pipe, roof shingles and flooring, has shot up more than 80% since October.
- Copper costs about a third more than it did in the autumn.
- Prices for granite, insulation, concrete blocks and common brick have all pushed to records in 2021, according to the Bureau of Labor Statistic's producer-price index, which measures the change in prices that producers receive for their output.
- Drywall and ceramic tiles are short of records but have also climbed.

Source: [https://www.wsj.com/articles/commodities-boom-hits-home-11615973404?reflink=desktopwebshare\\_twitter](https://www.wsj.com/articles/commodities-boom-hits-home-11615973404?reflink=desktopwebshare_twitter)  
Date: March 17, 2021

Town of Arlington  
**New / Upgraded Municipal Facility**

## Market Analysis – Material Cost Increases

### Construction Dive – Deep Dive article:

- Late last year, paying around \$750 per short ton for the rebar. Now, that price has spiked closer to \$900, a 20% increase in a little over a month.
- Prices of both lumber and steel — two primary building materials — have surged anywhere from 20% to 25% recently, according to Daniel Pomfrett, national director of forecasting and analytics at construction cost tracking firm Cumming.
- The reasons why range from factories that pulled back production when demand dropped in early 2020 still not running at capacity, lingering supply chain hiccups that have caused ships to stack up outside of ports, tariffs on lumber and even last summer's wildfires in the West.
- Mostly, though, all the spikes can be traced back to a central theme. "The short answer is the pandemic," said Associated General Contractors of America Chief Economist Ken Simonson, who closely tracks construction costs on a weekly basis

# Town of Arlington New / Upgraded Municipal Facility

## Market Analysis – Material Cost Increases



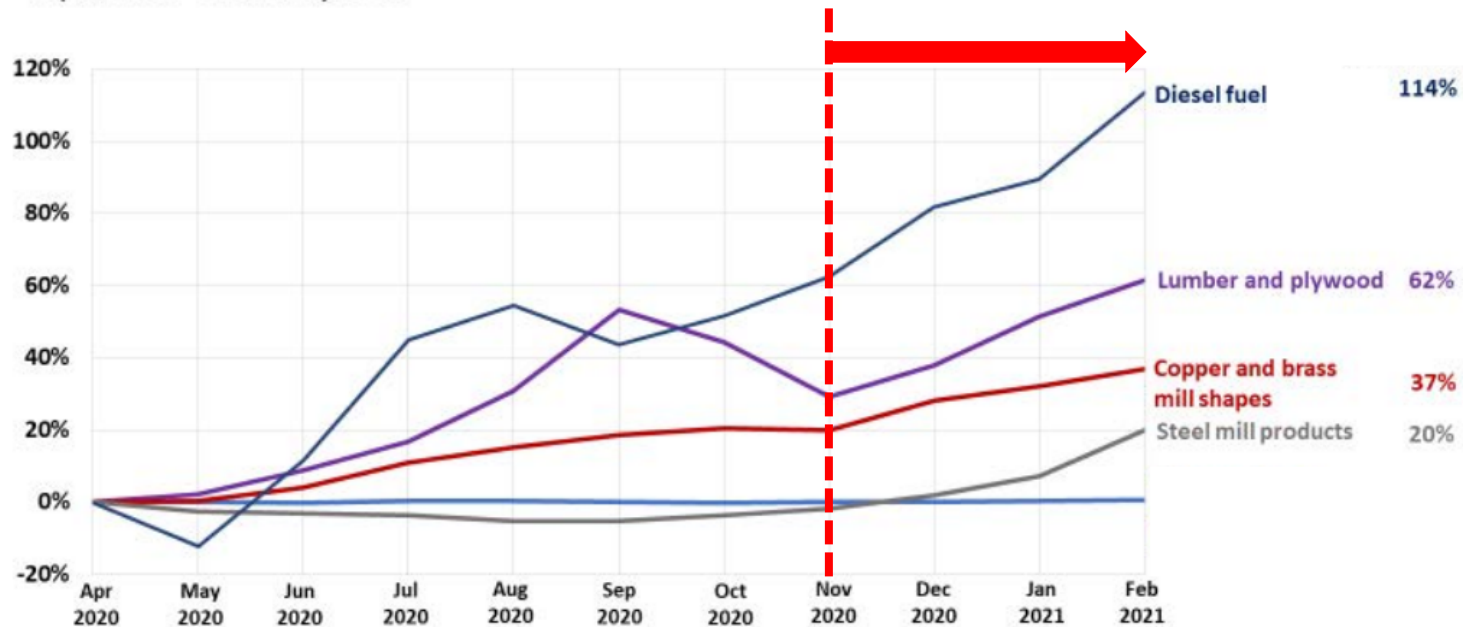
**AGC**  
THE CONSTRUCTION  
ASSOCIATION

## 2021 CONSTRUCTION INFLATION ALERT

**FIGURE 2**

### Price changes for construction and selected materials

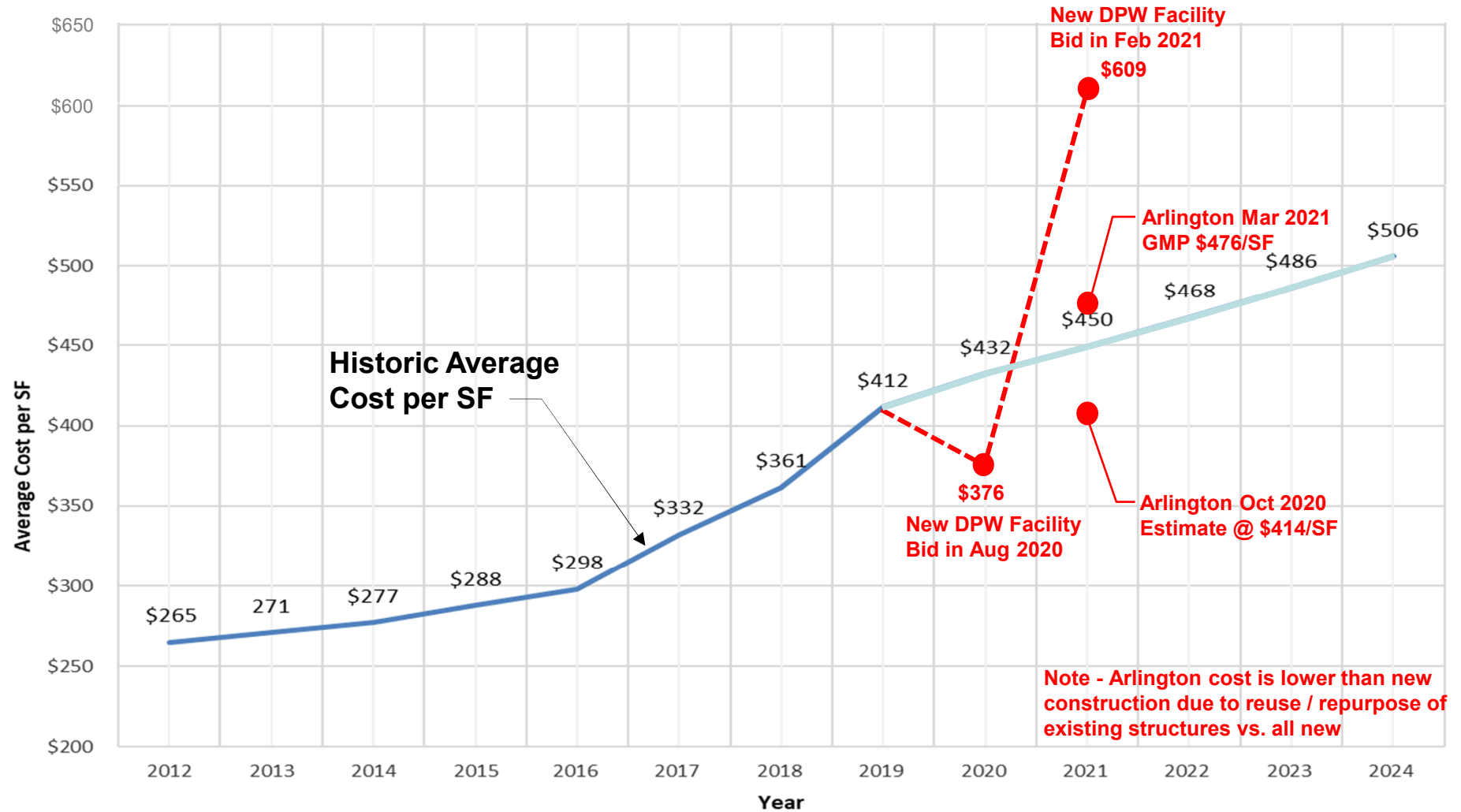
April 2020 – February 2021



Source: Bureau of Labor Statistics, producer price indexes (PPIs) for new nonresidential building construction (bid prices), diesel fuel, wood, and metal products, not seasonally adjusted

# Town of Arlington New / Upgraded Municipal Facility HISTORIC COST DATA FOR DPW FACILITIES

Average Cost per SF:



Town of Arlington  
**New / Upgraded Municipal Facility**

Summary of Cost Overruns

<b><u>Overrun Categories - Estimated Costs</u></b>	<b><u>Approx. Cost Increases</u></b>
• Material Cost Increases (estimated @ +/- 15%)	\$2,500,000
• Drawing & Program Evolution	\$1,000,000 *
• Regulatory Added Scope	\$130,000
• Estimating Variance	\$600,000 *
• Indirect Costs (fees & insurance)	\$400,000 *
• Low Bid Withdrawal (trade contractors)	\$370,000

\* Evaluate for potential cost cutting measures

# Town of Arlington

## New / Upgraded Municipal Facility

### **Cost Control Measures**

#### **No Impact to Original Scope and/or Operational Function**

**(\$1,822,356)**



- Reduce number of exterior bollards
- Delete roll up grilles at counters
- Defer lower yard paving – keep existing
- Change salt shed type from custom wood frame to tension membrane structure
- Substitute aluminum electrical feeders in lieu of copper
- Substitute alternate lighting package
- Use of MC cable in lieu of EMT above ceilings
- Replace teak ceilings with exterior GWB
- Eliminate sidewalk snow melt system
- Replace roof monitor with skylights
- Eliminate small mezzanine at service bay



Town of Arlington  
**New / Upgraded Municipal Facility**

Total Project Cost Summary

• March 2021 GMP:	\$39,032,137
• Soft Costs:	\$3,178,144
• Contingency:	<u>\$1,708,545</u>
	\$43,918,826

Value Engineering / Cost Control Measures

<b>No Impact to Original Scope and/or Operational Function</b>	(\$1,822,356)
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- Scope Creep Reductions
- Alternate Materials
- Alternate Systems

<b>Increase Construction Contingency</b>	<u>\$2,250,000</u>
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- Increase to 10%
- Increase to cover unforeseen conditions

TOTAL:	\$44,346,470
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CURRENT AUTHORIZATION:	\$38,930,000
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<b>ADDITIONAL REQUEST:</b>	<b>\$5,416,470</b>
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<b>ROUNDED:</b>	<b>\$5,400,000</b>
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Town of Arlington  
**New / Upgraded Municipal Facility**

Final Considerations

- Project scope has been scrubbed by the Town, the designer, and the construction manager to reduce scope without impacting project intent/goals
- We have received competitive bid prices for the Trade Contractors
- We have a price from the Construction Manager which includes bids from non-trade contractors
- Trade pricing & CM pricing reduces uncertainty with the current marketplace volatility
- Increased contingency to address any future unforeseen conditions associated with the complexity of the project and continued potential market volatility
- The additional request allows the project to proceed without removing key program elements which are needed to meet the basic intent of the project

Town of Arlington  
**New / Upgraded Municipal Facility**

# **Discussion**

# Capital Planning Committee DPW Update

5 May 2021

- Additional project cost: \$ 5,416,470
- Water/Sewer Share is 23.5%
  - \$4,143,600 to be paid by the general fund
- Expect bond issuance in Feb 2022
- Plan Impact
  - No impact to FY22
  - After FY22, debt service of \$232,405 per year
    - Assumes 30 years, level payment, 3.75% interest
  - FY23-FY26 impact is \$929,620 which is slightly less than the \$950,000 the current plan reserves for School Capital Repairs
- Rebalance
  - Take out School Capital Repairs. Await study results to see what we really need.
  - Adjust timing of roads & sidewalks to smooth out the plan
  - Seek to apply some portion of anticipated federal funds to the Capital Plan

## Revised Capital Plan FY2022-FY2026

Fiscal Year	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
Prior Non-Exempt Debt Service	\$ 7,063,282	\$6,699,193	\$6,297,226	\$5,730,475	\$5,967,760	\$31,757,937
Cash	\$3,959,297	\$2,753,369	\$3,366,859	\$4,139,241	\$4,151,723	\$18,370,489
New Non-Exempt Debt Service (FY22 & after)	\$0	\$838,108	\$1,064,935	\$1,297,974	\$1,534,024	\$4,735,040
BAN Interest and Principal	\$0	\$0	\$28,750	\$28,750	\$0	\$57,500
Total Non-Exempt Tax Burden	\$11,022,579	\$10,290,670	\$10,757,771	\$11,196,440	\$11,653,506	\$54,920,966
<i>Direct funding sources:</i>						
Rink Enterprise Funds	(\$54,156)	(\$52,056)	(\$50,106)	(\$48,306)	(\$17,247)	(\$221,872)
Ambulance Revolving Fund	(\$97,095)	(\$94,231)	(\$66,742)	(\$139,378)	(\$134,389)	(\$531,835)
Capital Carry Forwards	(\$539,066)					(\$539,066)
Antenna Funds	(\$206,268)	(\$198,584)	(\$192,694)	(\$182,009)	(\$166,891)	(\$946,447)
Urban Renewal Fund	(\$45,744)	(\$44,144)	(\$42,544)	(\$40,944)	(\$34,494)	(\$207,869)
Recreation Enterprise Fund	\$0	\$0	(\$89,000)	(\$89,000)	(\$89,000)	(\$267,000)
Asset Sale Proceeds	(\$750,000)					(\$750,000)
<i>Adjustments to 5% Plan:</i>						
Roadway Reconstruction Override 2011	(\$499,545)	(\$512,033)	(\$524,834)	(\$537,955)	(\$551,404)	(\$2,625,772)
Accessibility Improvements Override 2019	(\$205,000)	(\$210,125)	(\$215,378)	(\$220,763)	(\$226,282)	(\$1,077,547)
Debt service, Town-owned Rental Properties	\$0	(\$13,750)	(\$13,375)	(\$13,000)	(\$12,625)	(\$52,750)
Net Non-Exempt Plan	\$8,625,705	\$9,165,746	\$9,563,098	\$9,925,085	\$10,421,175	\$47,700,809
Pro Forma Budget	\$173,671,213	\$182,347,677	\$190,836,500	\$200,269,834	\$208,632,128	\$955,757,352
Budget For Plan at 5%	\$8,683,561	\$9,117,384	\$9,541,825	\$10,013,492	\$10,431,606	\$47,787,868
Plan as % of Revenues	4.97%	5.03%	5.01%	4.96%	5.00%	4.99%
Variance From Budget	\$57,855	(\$48,362)	(\$21,273)	\$88,407	\$10,431	\$87,059

**Proposed Amendment to Article 56 Section 5**

- (1) That the sum of \$6,206,470 be and hereby is appropriated for extraordinary repairs to public facilities, acquisition of land and the purchase and installation of equipment and for costs incidental and related thereto as follows:**

<b>Item</b>	<b>General Fund</b>	<b>Water/Sewer Enterprise Fund</b>	<b>Total</b>	<b>Project</b>	<b>Department</b>
1	\$ 100,000		\$100,000	Parmenter School Exterior Repairs	FACILITIES
2	\$ 140,000		\$140,000	33,000 GVW Dump Truck w-Plow	PUBLIC WORKS HIGHWAY
3	\$ 300,000		\$300,000	Whittemore Park upgrades	REDEVELOPMENT BOARD
4	\$ 100,000		\$100,000	Bus #108 - 53 passenger bus	SCHOOLS
5	\$ 150,000		\$150,000	Engineering Study	SCHOOLS
6	\$4,143,600	\$1,272,870	\$5,416,470	DPW Building	PUBLIC WORKS
	<b>\$ 4,933,600</b>	<b>\$1,272,870</b>	<b>\$6,206,470</b>	<b>Total</b>	

**and that the Treasurer, with the approval of the Select Board, is hereby authorized to borrow not exceeding the sum of \$6,206,470 under and pursuant to M.G.L. Chapter 44 (requires a 2/3 vote), and any other enabling authority, and to issue bonds or notes of the Town therefor, said sum to be expended under the direction of the Town Manager.**

